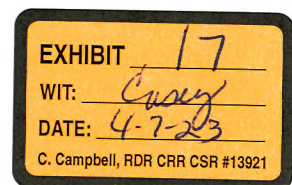


EXHIBIT 37

Confidential Due Diligence Report – YHS, LLC

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1

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Confidential Due Diligence Report – YHS, LLC**CORPORATE RECORDS**

Entity Details

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<u>File Number:</u>	3828590	<u>Incorporation Date</u> <u>/ Formation Date:</u>	07/14/2004 (mm/dd/yyyy)
<u>Entity Name:</u>	YHS, LLC		
<u>Entity Kind:</u>	LIMITED LIABILITY COMPANY (LLC)	<u>Entity Type:</u>	GENERAL
<u>Residency:</u>	DOMESTIC	<u>State:</u>	DE

REGISTERED AGENT INFORMATION

<u>Name:</u>	THE CORPORATION TRUST COMPANY		
<u>Address:</u>	CORPORATION TRUST CENTER 1209 ORANGE STREET		
<u>City:</u>	WILMINGTON	<u>County:</u>	NEW CASTLE
<u>State:</u>	DE	<u>Postal Code:</u>	19801
<u>Phone:</u>	(302) 658-7581		

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Confidential Due Diligence Report – YHS, LLC**PUBLICATIONS**

Copyright 2006 Globe Newspaper Company
The Boston Globe

September 15, 2006 Friday
THIRD EDITION

SECTION: LIVING; Pg. D2

LENGTH: 747 words

HEADLINE: HARVARD TO KEEP EPSTEIN GIFT

BYLINE: CAROL BEGGY & MARK SHANAHAN

BODY:

Harvard has decided it'll hold onto the fat check it received from Jeffrey Epstein, the billionaire financier who was charged over the summer with soliciting sex from prostitutes. While some others, notably New York gubernatorial candidate Eliot Spitzer and New Mexico Governor Bill Richardson, have returned his gifts, the World's Greatest University has concluded that returning Epstein's \$6.5 million donation would do more harm than good. "Mr. Epstein's gift is funding important research using mathematics to study areas such as evolutionary theory, viruses, and cancers," a Harvard spokesman told us yesterday. "Harvard has no plans to return the gift." (Epstein has pledged up to \$30 million to support the research being done by Harvard mathematical biologist Martin Nowak.) Epstein was charged with solicitation in July after several teenage girls told the Palm Beach police they'd given the silver-haired money manager massages in exchange for cash. Epstein, who's being defended by Harvard law professor Alan Dershowitz, has pled not guilty. In 1979, Harvard prez Derek Bok explained his rationale for accepting controversial gifts this way: "I would be inclined to accept such donations on the ground that the tangible benefits of using the money . . . should overcome the more abstract, symbolic considerations that might lead us to turn down such benefactions."

KYRA'S GAME FOR ROLE OPPOSITE ROCK

It'll be Kyra Sedgwick not Bebe Neuwirth playing opposite Dwayne "The Rock" Johnson when Disney finally begins shooting "The Game Plan" later this month. "The Rock" plays a fictitious NFL quarterback in the big-budget football flick, and Sedgwick is his hard-nosed agent. (The movie was supposed to shoot in Boston over the summer, but had to be postponed when "The Rock" ruptured his Achilles tendon preparing for the role.) Neuwirth, who is returning to Broadway in the musical "Chicago," dropped out because of scheduling conflicts, according to published reports. Previously announced cast members, including Madison Pettis, Roselyn Sanchez, Morris Chestnut, Gordon Clapp, and Boston funnyman Lenny Clarke, all are still expected to appear in the film, which is being directed by Andy Fickman. Judging from a Q&A in the new issue of Entertainment Weekly, it would appear "The Rock" can't wait to return to the area. Asked what he'd eaten to put on 30 pounds, the onetime pro wrestler responds: "Large cheese pizza and doughnuts. The pizza needs to be from Avellino's near Boston." . . . In other movie news, Acton's own Steve Carell will provide the voice for the mayor of Whoville in the animated version of "Dr. Seuss' Horton Hears a Who" starring Jim Carrey as Horton.

Local author

misses shortlist

The shortlist for Britain's prestigious Man Booker Prize for Fiction has been announced, and Somerville's Claire Messud is not on it. Messud's novel "The Emperor's Children" was one of just 19 books to make the longlist. The six novels on the shortlist include: Kiran Desai's "The Inheritance of Loss"; Kate Grenville's "The Secret Lover"; M.J. Hyland's "Carry Me Down"; Hisham Matar's "In the Country of Men"; Edward St. Aubyn's "Mother's Milk"; and Sarah Waters's "The Night Watch."

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(3) Denis Leary is sure in demand. The star and executive producer of "Rescue Me" has just inked a deal with Fox to coproduce a comedy with Don Reo , one of the creators of ABC's "My Wife and Kids." The untitled project will be about a thieving 15-year-old boy who moves in with his grandfather, who's also a thief. Speaking of Leary, the Emerson grad returned to his alma mater with his band, the Popes, last night to celebrate the school's 30-year comedy tradition. (Jay Leno , Henry Winkler , Steven Wright , Joely Fisher , Andrea Martin , and David Cross all spent time at Emerson.)

(2) Kevin and Joyce Lucey of Belchertown caught up with writer-director Patricia Foulkrod at a screening of Foulkrod's documentary "The Ground Truth" at the Boston Film Festival. The Luceys, whose Marine reservist son Jeffrey committed suicide after serving in Iraq, are active in the organization Military Families Speak Out.

(1) Boston Lyric Opera stars past and present will perform tonight as part of the company's 30th anniversary bash at the Wang. Singers Earle Patriarco , Morris Robinson , Michael Hayes , and Lisa Daltirus , and conductor Willie Anthony Waters paid a surprise visit to a BLO board meeting this week.

Names can be reached at namesfglobe.com or at 617-929-8253.

NOTES: WEEKEND ; NAMES David Mehegan of the Globe staff contributed.

GRAPHIC: PHOTO

LOAD-DATE: September 16, 2006

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Copyright 2006 The New York Times Company
The New York Times

September 3, 2006 Sunday
Late Edition - Final

SECTION: Section 1; Column 1; National Desk; Pg. 19

LENGTH: 1227 words

HEADLINE: Questions of Preferential Treatment Are Raised in Florida Sex Case

BYLINE: By ABBY GOODNOUGH

DATELINE: PALM BEACH, Fla.

BODY:

In the summer and autumn of last year, when most of the mansions here stood empty behind their towering hedges, the police stealthily watched one at the end of a waterside lane. They monitored the comings and goings of its owner's private jet, subpoenaed his phone records and rifled through his trash.

The owner was Jeffrey Epstein, 53, an intensely private New York money manager with several billionaire clients. Months earlier, the stepmother of a 14-year-old girl told the Palm Beach police that a wealthy older man, whom the girl later identified as Mr. Epstein, might have had inappropriate sexual contact with her.

In sworn statements to the police, the 14-year-old and other teenage girls said a friend had arranged for them to visit Mr. Epstein's home and give him massages, usually in their underwear, in exchange for cash.

Most of the girls, according to the police, said Mr. Epstein had masturbated during the massages, and a few said he had penetrated them with his fingers or penis. They identified him in photos and accurately described the inside of his home. Some recalled that his employees had fed them snacks or rented them cars.

Mr. Epstein pleaded not guilty in August to the crime he was ultimately charged with, soliciting prostitution. But at a time when prosecutors around the nation have become increasingly severe in dealing with people accused of sex offenses, the case has raised questions about whether Mr. Epstein's prominence won him preferential treatment.

By the account of the police, they found probable cause to charge Mr. Epstein with much more serious offenses: one count of lewd and lascivious molestation and four counts of unlawful sexual activity with a minor.

But instead of proceeding with such charges on his own, the Palm Beach County state attorney took the rare step of presenting a broad range of possible charges to a grand jury, which indicted Mr. Epstein in July on the lesser count. In Florida, prosecutors usually refer only capital cases to grand juries.

Even before the indictment, the Palm Beach police chief, Michael Reiter, had accused prosecutors of giving Mr. Epstein special treatment and asked the state attorney, Barry E. Krischer, to remove himself from the case.

In an editorial, The Palm Beach Post attacked Mr. Krischer, a Democrat whose post is elective, saying the public had been left "to wonder whether the system tilted in favor of a wealthy, well-connected alleged perpetrator and against very young girls who are alleged victims of sex crimes."

The case has taken a toll on the reputation of Mr. Epstein, who owns a palatial home in Manhattan, has pledged \$30 million to Harvard and once flew former President Bill Clinton on his

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727. Politicians including Eliot Spitzer, a Democratic candidate for governor in New York, and Gov. Bill Richardson of New Mexico, also a Democrat, have returned campaign contributions from him.

But Mr. Epstein fought back, assembling a team of star lawyers, including Gerald B. Lefcourt and Alan M. Dershowitz, a friend of his, to look into the backgrounds of his young accusers.

Mr. Lefcourt says that the police acted "'outrageously'" and that his client has been wrongfully dragged through the mud.

"He disputes that he ever had sex with any under-age person or anything like that," said Mr. Lefcourt, whose clients have included Russell Crowe, Martha Stewart and Abbie Hoffman.

Neither the police nor the state attorney's office would discuss the case in detail. But the police released a thick report on the 13-month investigation after the indictment was unsealed in late July.

The police started investigating Mr. Epstein in March 2005, almost immediately after they were contacted by the stepmother of the 14-year-old, who, according to the report, was in a special school for students with disciplinary problems.

The girl, the report said, told the police that an older friend had "'offered her an opportunity to make money'" and had driven her to Mr. Epstein's house one Sunday. The friend, identified by the police as [REDACTED], a local community college student, told the girl to say she was 18 if Mr. Epstein asked, the report said.

The girl told the police that Mr. Epstein's assistant had led her upstairs to a room with a massage table and that Mr. Epstein had come in and told her to remove her clothes. She said Mr. Epstein had masturbated as she massaged him, had pressed a vibrator against her underwear and had given her \$300 afterward.

In October, the police interviewed Ms. [REDACTED], then 19, who told them Mr. Epstein had routinely paid her to bring teenage girls to his home. The police then interviewed a total of 5 alleged victims and 17 witnesses, many of whom told similar stories about what they had observed or participated in at Mr. Epstein's home. According to the report, at least one said Mr. Epstein had engaged in intercourse with her.

Mr. Lefcourt, his lawyer, said one girl who told the police of having had sex with Mr. Epstein as a minor had lied about both the sex and her age and had not shown up for grand jury questioning. He also said Mr. Epstein had passed a lie-detector test clearing him of any sexual involvement with under-age girls.

A spokeswoman for the Palm Beach police said that early this year, the police went to Mr. Krischer, the state attorney, intending to apply for warrants to arrest Mr. Epstein. Instead, she said, they were told that Mr. Krischer would convene a grand jury to examine the evidence and decide what charges, if any, to bring.

Around that time, the police report said, Mr. Dershowitz met with prosecutors to share information about the accusers, including statements they had posted on MySpace.com, the social networking site, concerning use of drugs and alcohol. According to the report, Mr. Krischer's office then decided to delay the grand jury session for several months.

The Palm Beach police grew frustrated, the report said, and on May 1 the department asked prosecutors to approve warrants to arrest Mr. Epstein.

Chief Reiter also wrote Mr. Krischer questioning "'the unusual course that your office's handling of this matter has taken'" and suggesting that Mr. Krischer disqualify himself. Chief Reiter refused several requests to be interviewed, and his spokeswoman would not say explicitly why he had urged the prosecutor to step aside.

Mike Edmondson, a spokesman for Mr. Krischer, said the state attorney's office sometimes sent noncapital cases to grand juries when there were questions about witness credibility. Mr. Krischer does not recommend a particular charge in such cases, Mr. Edmondson said, but gives the grand jury a list of possible charges.

Bruce J. Winick, a law professor at the University of Miami, said that while prosecutors in Florida rarely referred noncapital cases to grand juries, they sometimes did so with sensitive cases to be extra-cautious.

Mr. Lefcourt said the police were wrong to have released the report so soon, especially without correcting information that later proved wrong. He cited his assertion that one accuser had lied

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about her age, adding that she had also been arrested on drug charges and had been fired by her employer for stealing.

'What I'm trying to focus on,' Mr. Lefcourt said, 'is, What's motivating the selective and misleading release of information to the public?'

URL: <http://www.nytimes.com>

GRAPHIC: Photos: Mr. Epstein, a New York money manager, is said to have had teenage girls brought to his home in Florida. (Photo by Scott Wiseman for The New York Times)
Jeffrey Epstein has pleaded not guilty to soliciting prostitution. (Photo by Palm Beach County Sheriff's Office)

LOAD-DATE: September 3, 2006

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Copyright 2006 The New Mexican
The Santa Fe New Mexican (New Mexico)

August 17, 2006 Thursday

SECTION: SANTA FE/EL NORTE; Pg. C-1

LENGTH: 878 words

HEADLINE: ROUNDHOUSE ROUNDUP: WEB SITE AIMS TO MAKE POLITICAL FUNDING MORE TRANSPARENT

BYLINE: STEVE TERRELL

BODY:

Funding: So far only one candidate on site's list

If you want to know who is giving how much money to what politicians in New Mexico races during most of the summer and early fall, you're pretty much out of luck.

The way state campaign laws are set up, candidates for state and county offices don't file any financial-disclosure reports between July 6 and Oct. 9.

However, a conservative blogger from Cedar Crest has created a Web site called Ethical Reporting -- subtitled The Campaign Finance Reporting Blog for Politicians With Nothing to Hide -- on which candidates can post their contributions, expenses and in-kind donations as they come in.

Burgos has been a critic of the secretary of state's Web site, saying it's difficult to use and virtually impossible to search.

"I'm an active Republican with a conservative blog who has run for political office in the past," Burgos

says on his site. "Now that we have that out in the

open, please know that this site will remain strictly nonpartisan."

He later told me: "Nothing would make me happier than for Dems to participate as well."

Burgos said he ran the idea by Matt Brix, executive director of New Mexico Common Cause.

"I think it's a pretty creative effort on Mario's part," Brix said. "I would definitely encourage candidates to use it."

So far, only one candidate is on the site's List of Ethical Politicians. That's state Rep. Kathy McCoy, of Cedar Crest, who won her seat in 2004 after defeating Burgos in the Republican primary. She's posted all donations and expenditures she incurred since the July 6 report.

McCoy is a member of the state task force that is recommending changes in ethics and campaign laws. "I thought it was appropriate as a task-force member to take this first step," she said.

McCoy is running against Democratic challenger Janice Saxton of Placitas.

Burgos -- who spent about 20 hours over the past three weeks and less than \$200 creating the site -- said readers can add comments about individual contributions. "If somebody's getting money from someone who's dealing with the state, you can post a comment," he said. Candidates in turn can respond to the comments, he said.

But he admitted there is one drawback: You can't click a button and total how much McCoy or future participants have raked in or spent.

"I'm not a programmer," Burgos said.

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Both Burgos and McCoy say they support the idea of the state requiring "real-time" reporting of contributions as they come in.

"The way it is now, by the time the public can look at our contribution lists, the election's over," McCoy said. "This helps create cynicism in the public arena."

"I don't like the way the (ethics) task force is going with trying to set limits (on contributions and gifts)," Burgos said. "I'm for 100-percent disclosure. If you have lunch with a lobbyist, put it out there."

Ethical Reporting can be found at www.ethicalreporting.com. Burgos' blog is at www.marioburgos.com.

Man of Mystery: Speaking of campaign contributions, all the candidates I spoke to earlier this week who had taken money from Jeffrey Epstein -- the billionaire financier recently indicted in Florida on felony charges of soliciting prostitutes -- said they'd never met Epstein.

It kind of reminds me of what my mom told me about taking candy from strangers.

I also was struck by The Palm Beach Post's description of Epstein -- accused of having sex with a string of teenage girls -- "Epstein, now 53, was a quintessential man of mystery. He amassed his fortune and friends quietly, always in the background as he navigated New York high society."

Five years ago in this paper, former New Mexican reporter Elena Vasquez, writing about Epstein's gigantic mansion in Santa Fe County, picked up on the "mystery-man" aspect of his character.

"Epstein is as mysterious today as he was when he began building his estate. He apparently is a private man who has sworn his ranch employees to secrecy -- making him an enigma to his 30 neighbors in the sleepy town of Stanley. One resident said her curiosity died down after many of her questions remained unanswered.

" 'They wouldn't tell anybody anything,' said (a neighbor), who has become friends with some of Epstein's employees. '... Whatever they do there is their business, so I just let it drop.' "

Lamont/Lieberman: So far at least 20 Democratic U.S. senators have said they will back Connecticut Democratic Senate nominee Ned Lamont in the general election against incumbent Sen. Joe Lieberman, who is running as an independent after losing to Lamont in the Democratic primary. Only three Senate Democrats say they're sticking with Lieberman.

Missing from both lists is New Mexico's junior senator, Democrat Jeff Bingaman.

"Jeff's not going to get involved," Bingaman re-election campaign manager Terry Brunner said this week. "He'll leave that decision to the voters of Connecticut. He's got his own race to worry about."

Bingaman is running for a sixth term against Republican Allen McCulloch of Farmington.

Other New Mexico Democrats haven't been shy about the Connecticut race. U.S. Rep. Tom Udall is supporting the Democratic nominee, a spokeswoman said. Meanwhile, Gov. Bill Richardson endorsed Lamont last week and urged Lieberman to step aside.

Contact Steve Terrell at 986-3037 or sterrellsf@newmexican.com.

LOAD-DATE: August 18, 2006

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The Associated Press State & Local Wire

August 17, 2006 Thursday 11:39 AM GMT

SECTION: STATE AND REGIONAL

LENGTH: 205 words

HEADLINE: Land commissioner candidate to return contribution

DATELINE: ALBUQUERQUE

BODY:

The Democratic candidate for state land commissioner says his campaign will return a \$10,000 contribution from a billionaire financier charged with solicitation of prostitution after authorities alleged he paid women for sex in his Florida mansion.

Jim Baca said his campaign doesn't have enough cash on hand to return the money in one lump sum, but will pay in \$1,000 installments and will have returned all Jeffrey Epstein's money before the end of the election.

Epstein who also has a home in Santa Fe County is alleged to have solicited sex between Aug. 1 and Oct. 31 of last year, according to an indictment charging him with one felony count of solicitation of prostitution.

His attorney, Jack Goldberger, has said Epstein "would never knowingly break the law."

The 53-year-old money manager gave thousands to New Mexico political candidates, including \$50,000 for to Gov. Bill Richardson's re-election campaign this year, according to state campaign contribution reports. Richardson's campaign said that money would be donated to charity.

Epstein also donated \$15,000 to Democratic attorney general candidate Gary King, who said he plans to return the money.

Information from: The Santa Fe New Mexican, <http://www.sfnewmexican.com>

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Newstex Web Blogs
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Say Anything

August 15, 2006 Tuesday 10:31 PM EST

LENGTH: 183 words

HEADLINE: DA Who Went After Limbaugh Caught Going Light On A Democrat

BODY:

Aug. 15, 2006 (Say Anything delivered by Newstex) --

And by "going light" I mean not being able to get even an indictment for multiple charges of statutory rape in a case that boasts 17 witnesses against the defendant, two of them former employees in the defendant's home.

Ace has the details:

Palm Beach Chief of Police Michael Reiter has asked Rush Limbaugh's foe, State Attorney Bruce Krischer, to recuse himself from a case, believing he's in the tank for the defendant. The accused is a dedicated Democrat, as is Krischer himself. The accused, Jefferey Epstein, has donated more than a \$100,000 to Democrats, including Hillary! Clinton.

Reiter wants to charge Jeffrey Epstein for four counts of unlawful sexual conduct with a minor with girls as young as fourteen.

Krischer was somehow only able to get a prostitution charge against Epstein from a grand jury, despite a house filled with hidden cameras and pictures of young girls.

Reiter is seeking the aid of the FBI.

If this were Rush Limbaugh he'd have been perp' walked already and the pictures would be the subject of much lefty gloating.

NOTES: The views expressed on blogs distributed by Newstex and its re-distributors ("Blogs via Newstex") are solely the author's and not necessarily the views of Newstex or its re-distributors. Posts from such authors are provided "AS IS", with no warranties, and confer no rights. The material and information provided in Blogs via Newstex are for general information only and should not, in any respect, be relied on as professional advice. No content on such Blogs via Newstex is "read and approved" before it is posted. Accordingly, neither Newstex nor its re-distributors make any claims, promises or guarantees about the accuracy, completeness, or adequacy of the information contained therein or linked to from such blogs, nor take responsibility for any aspect of such blog content. All content on Blogs via Newstex shall be construed as author-based content and commentary. Accordingly, no warranties or other guarantees will be offered as to the quality of the opinions, commentary or anything else offered on such Blogs via Newstex. Reader's comments reflect their individual opinion and their publication within Blogs via Newstex shall not infer or connote an endorsement by Newstex or its re-distributors of such reader's comments or views. Newstex and its re-distributors expressly reserve the right to delete posts and comments at its and their sole discretion.

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The New York Post

August 14, 2006 Monday

SECTION: All Editions; Pg. 22

LENGTH: 809 words

HEADLINE: MYSTERY MOGUL'S TEEN-SEX SECRET BARED IN PROBE

BYLINE: DAN MANGAN

BODY:

For years, a media-dodging financial adviser who owns Manhattan's largest pad has cultivated his mysterious image, suggesting he creates big investment profits for billionaire clients without revealing how he does it or whose portfolios he handles.

But now investment whiz Jeffrey Epstein's darkest personal secrets have allegedly been bared in an explosive, seamy prostitution case involving underage girls.

Instead of marveling at his stock-market acumen, Epstein's celebrity friends are now hearing sordid stories about his alleged obsession with getting massages in his Florida mansion from young girls - one allegedly just 14 years old.

The tawdry tale came to light when Epstein, 53, was busted in Florida on July 23 after a grand jury indicted him on a single felony charge of solicitation of prostitution. The grand jury declined to indict the silver-haired moneyman on charges of sexual contact with minors.

But a bitter rift between Palm Beach cops and prosecutors over how to handle the case has put Epstein at risk of more serious charges. The FBI is weighing whether to investigate his alleged contacts with underage girls.

Gerald Lefcourt, one of Epstein's high-powered lawyers, says his client is innocent and that his polygraph test helps prove it.

"There was no sexual contact with anyone underage," Lefcourt said, arguing that that has been "proved beyond a reasonable doubt" by evidence lawyers gave authorities.

Epstein owns what reportedly is Manhattan's largest home - a 51,000-square-foot Upper East Side house - plus a sprawling New Mexico ranch and a 100-acre private island in the U.S. Virgin Islands.

He also owns a two-story pink mansion in Palm Beach, which became the focus of a nearly yearlong police investigation.

Palm Beach police records show that on March 15, 2005, a 14-year-old girl alleged she had visited Epstein's house a month before at the behest of an older friend. The girl said that while at Epstein's pad, she partially stripped and gave Epstein a massage.

At one point, "Epstein then pulled out a purple vibrator" and used it on her, police records claim.

Epstein eventually paid the girl \$300, and she left, the records allege.

The allegation ignited a probe that ultimately led to five young women who said Epstein had masturbated and touched their genitals during massages, the records state. Some girls initially were recruited by a woman named [REDACTED], documents say.

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When cops confronted the 20-year-old [REDACTED], the records show, she admitted that she had been recruited at age 17 by a friend to give Epstein a massage while she was naked.

"He tried to touch me, and I stopped him," [REDACTED] alleged.

Epstein allegedly paid her \$200 for the rubdown.

After the massage, Epstein told her that he understood she wasn't comfortable but that "he would pay her if she brought over some girls," the police records state.

"He told her the younger the better," the records claim.

[REDACTED] - who described herself as "like a Heidi Fleiss" - alleges that, over time, she brought six girls who were between 14 and 16 to Epstein's house, the police records state.

Police allege that Epstein's comely blond assistant, [REDACTED], helped arrange the sessions.

Several girls allege that [REDACTED], 26, led them to Epstein's master bedroom, where she would set up a massage table and give them oils to rub on Epstein.

Cops wanted to charge [REDACTED] and [REDACTED] for their roles in procuring the girls, but the grand jury did not indict either women. [REDACTED] declined to comment for this story, and [REDACTED] could not be reached for comment.

According to one girl, "Epstein asked for her real age, [and she] stated she was 16. Epstein advised her not to tell anyone her real age," the records say.

The girl alleged that Epstein paid her to have sex with his girlfriend, [REDACTED], police records state.

Epstein would then watch the women have sex and take photos of their trysts to display at home, the records claim.

[REDACTED] declined to comment.

The teen told cops she always refused to have intercourse with Epstein, the report states.

But one time, she told cops, Epstein allegedly grabbed her and forced himself on her.

When the girl became upset and screamed, "No!" Epstein apologized, and he later paid her \$1,000 for the visit, the records allege.

Palm Beach cops prepared an arrest-warrant request proposing that Epstein be charged with unlawful sexual activity with certain minors and with lewd and lascivious molestation.

Instead, in a rare move, prosecutors brought the evidence to a grand jury, which indicted Epstein only on the prostitution charge.

The frustrated police now have given their evidence to the FBI's Miami division, which is considering whether to investigate Epstein for possible federal crimes involving underage girls, said Special Agent Judy Orihuela.

GRAPHIC: BEACH BABIES: Lawyer Gerald Lefcourt (left) says moneyman Jeffrey Epstein (right) is not guilty of molesting teens at his Palm Beach mansion - charges reported last month in Page Six. [Bloomberg News; Corbis]

LOAD-DATE: August 14, 2006

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Confidential Due Diligence Report – YHS, LLC

Copyright 2006 The Palm Beach Newspapers, Inc.
Palm Beach Post (Florida)

August 10, 2006 Thursday
FINAL EDITION

SECTION: OPINION; Pg. 20A

LENGTH: 428 words

HEADLINE: MASSAGING THE SYSTEM

BODY:

Palm Beach police say their 11-month investigation shows that 53-year-old part-time town resident Jeffrey Epstein committed unlawful sex acts with and lewd and lascivious molestation on five underage girls. Defense attorney Jack Goldberger claims that his client, Jeffrey Epstein, had no idea that the untrained girls he hired for massages were minors.

The Palm Beach County State Attorney's Office could have let a jury decide whom to believe. Instead, State Attorney Barry Krischer left the public to wonder whether the system tilted in favor of a wealthy, well-connected alleged perpetrator and against very young girls who are alleged victims of sex crimes.

Mr. Krischer took the unusual step of referring the case to a grand jury, which last month indicted Jeffrey Epstein on one felony count of solicitation of prostitution. That decision came after Harvard law Professor Alan Dershowitz met with prosecutors to undermine the credibility of the 14- to 17-year-old girls who charged that Mr. Epstein had paid them \$200 to \$300 to undress and massage him in his five-bedroom, 7 1/2-bath home on the Intracoastal Waterway.

The girls, Mr. Dershowitz told prosecutors, had written on myspace.com about smoking marijuana and drinking alcohol. But if the girls have a credibility problem, what about Jeffrey Epstein? Mr. Goldberger, told The Post: "Mr. Epstein absolutely insisted anybody who came to his house be over the age of 18. How he verified that, I don't know." And prosecutors took him at his word?

Police collected evidence that refutes Jeffrey Epstein's defense. Police searched his home and garbage and found phone messages about the girls' school schedules and even a high school transcript, suggesting that Mr. Epstein at least knew that the girls were teenagers.

The state attorney's office has responded to criticism from Palm Beach police and others by noting the higher standard prosecutors face for conviction than law-enforcement officers do for arrest. But in this case, the state attorney bowed to the risk that a jury might look at both Jeffrey Epstein and the girls, and point fingers at both sides.

Even if the girls could be impugned as prostitutes, solicitation of a minor is a crime. Former disc jockey and teacher Bruno Moore was charged with that Tuesday. Investigators say the 34-year-old used the Internet - myspace.com - to recruit a 13-year-old. Police say Jeffrey Epstein used a 20-year-old woman who had a myspace.com account to recruit young girls. His actions were sleazy. It would have been good to ask a jury just how criminal they were.

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Copyright 2006 The Palm Beach Newspapers, Inc.
Palm Beach Post (Florida)

August 8, 2006 Tuesday
FINAL EDITION

SECTION: LOCAL; Pg. 1B

LENGTH: 638 words

HEADLINE: EPSTEIN CAMP CALLS FEMALE ACCUSERS LIARS

BYLINE: By LARRY KELLER Palm Beach Post Staff Writer

BODY:

Attorneys and publicists for Palm Beach financier Jeffrey Epstein went on the offensive Monday, contending that teenage girls who have accused Epstein of sexual shenanigans at his waterfront home are liars and saying that the Palm Beach Police Department is "childish."

"There never was any sex between Jeffrey Epstein and any underage women," his lead attorney, Jack Goldberger, said from Idaho where he was vacationing with his family.

Epstein did have young women come to his house to give him massages, Goldberger said. "Mr. Epstein absolutely insisted anybody who came to his house be over the age of 18. How he verified that, I don't know. The question is, did anything illegal occur. The law was not violated here."

He had no explanation as to why Epstein would pay girls or women with no massage training - as the alleged victims said was the case - \$200 to \$300 for their visits. "The credibility of these witnesses has been seriously questioned," Goldberger said.

Epstein, 53, was indicted by a county grand jury last month on a charge of felony solicitation of prostitution. After an 11-month investigation that included sifting through Epstein's trash and surveilling his home, Palm Beach police concluded there was enough evidence to charge him with sexual activity with minors. When the grand jury indicted Epstein on the less serious charge, Police Chief Michael Reiter referred the case to the FBI to determine whether there were federal law violations.

After a spate of stories about the case last week, New York publicist Dan Klores - whose client list has included Paris Hilton and Jennifer Lopez - said on Saturday that Epstein's camp was ready "to get their story out."

They did that Monday via Goldberger and a Los Angeles publicist for Miami criminal defense attorney Roy Black, who also has represented Epstein in the case.

"We just think there has been a distorted view of this case in the media presented by the Palm Beach police," Goldberger said.

Reiter has consistently declined to comment on the case and did not respond to a request for comment Monday.

The implication that State Attorney Barry Krischer was easy on Epstein by presenting the case to a grand jury rather than filing charges directly against him is wrong, Goldberger said.

The Palm Beach Police Department was "happy and ecstatic" that the panel was going to review the evidence. "I think what happened is they weren't happy with the result. They decided to use the press to embarrass Mr. Epstein."

But records show that Reiter wrote Krischer on May 1 - well before the case went to the grand jury - suggesting that Krischer "consider if good and sufficient reason exists to require your disqualification from the prosecution of these cases."

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Rather than flat-out decline to charge Epstein, Krischer referred the case to the grand jury to "appease" the chief, Goldberger said.

A state attorney's spokesman would say only that the office refers cases to the grand jury when there are issues with the viability of the evidence or witnesses' credibility.

Both the state attorney and the grand jury concluded there was not sufficient evidence that Epstein had sex with minors, according to Goldberger. "It was just a childish performance by the Palm Beach Police Department," Goldberger said.

The defense attorney said one of the alleged victims who claimed she was a minor was in fact over the age of 18. Another alleged victim who was subpoenaed to testify to the grand jury failed to do so. Epstein's accusers, he added, have histories of drug abuse and thefts. "These women are liars. We've established that."

But why would they all invent their stories about meeting Epstein for sexual massages?

"I don't have an answer as to what was the motivation for these women to come forward and make these allegations," Goldberger said.

larry_keller@pbpost.com

NOTES: Ran all editions.

GRAPHIC: PHOTO (C)
Jeffrey Epstein (mug)

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July 28, 2006 Friday 10:39 AM EST

LENGTH: 227 words

HEADLINE: Jeffrey Epstein's Strangely Failed Plea Bargain

BODY:

Jul. 28, 2006 (Gawker delivered by Newstex) --

According to an 87-page Palm Beach Police Department report, on April 17 billionaire moneybag and suspected hebephile Jeffrey Epstein agreed to plead guilty to an aggravated assault charge, serve five years probation, undergo "psychiatric/sexual evaluation," and have no unsupervised visits with minors. Epstein's then-counsel Guy Fronstin relayed that Epstein would accept the plea bargain and asked that investigators "call off the grand jury as they would accept this deal." It could've resulted in a somewhat smaller shitstorm, but the deal was never closed:

It is unclear why the plea bargain was not formally struck at that point, but the report indicates that police investigators--who anticipated five felony counts being lodged against Epstein--were incensed at what they clearly viewed as a sweetheart prosecution offer.

Strangely, in mid-May, Epstein was offered the plea bargain again, but papers indicate that the prosecutor "was waiting" for an answer. Yet on Sunday, Epstein was unfairly arrested for a felony count of soliciting prostitution. What kind of justice is there in this world when even a billionaire can't take an extra 3 months to get some massages while mulling over his legal options?

Cops: Pervy Billionaire Agreed to a Plea Bargain [TSG]
Earlier: Gawker's Coverage of Jeffrey Epstein

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PARTY: EPSTEIN, JEFFREY

* * * * * INCIDENT INFORMATION * * * * *

CASE NUMBER: 02-03451

JURISDICTION: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

SOURCE: NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

DATE: 8/ 6/2003

Other Incident Info: CASE NAME: RAYMOND, JAMES & ASSOCIATES, CLAIMANT, VS. JEFFREY EPSTEIN, RESPONDENT. The individual(s) or company(ies) listed in this report were party to a National Association of Securities Dealers (NASD) arbitration award. Being party to the arbitration award does not necessarily mean that the individual(s) or company(ies) have been found to have violated any code or regulation.

EPSTEIN, JEFFREY

Action: NASD ARBITRATION

HARDCOPY: FOR A COPY OF THE SOURCE DOCUMENT(S), CONTACT MARI AT (703) 620-6262.

HARDCOPY ORDER NUMBER: NASA038G-01182857

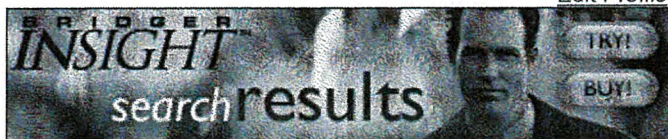
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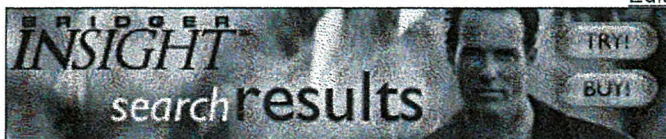
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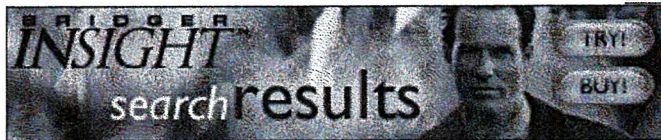
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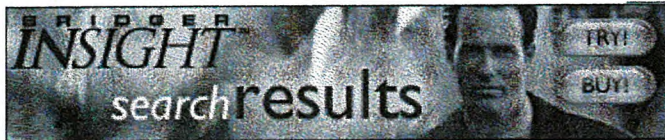
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